WORKERS' COMPENSATION BOARD OF THE NORTHWEST TERRITORIES AND NUNAVUT

2002-2006 CORPORATE PLAN

103-04226/

MISSION STATEMENT

Promote safe work practices and provide fair benefits.

VALUES

The Workers' Compensation Board of the Northwest Territories and Nunavut is committed to the following values:

1. We treat others honestly, fairly and respectfully.
2. We work safely.
3. We do what we say.
4. We are sensitive and responsive to our clients' concerns.

This document is prepared annually by the Workers' Compensation Board's Board of Directors:

JoAnne Deneron . . . . . Chairperson
Andy Wong. . . . . Member (Employer Representative)
Alain Carriere . . . . . Member (Public Interest Representative)
Alex Stuit . . . . . Member (Worker Representative)
Roland Gosselin . . . . . Member (Worker Representative)
Dan Halldorson . . . . . Member (Public Interest Representative)

The Corporate Plan is published as a matter of record, pursuant to subsection 91(1) of the *Financial Administration Acts* of the two Territories.

Introduction

Introduction

Each year, the Board of Directors produces a strategic plan for the future of the compensation system in the Northwest Territories (NWT) and Nunavut. This year, the Board's key strategies are essentially the same as those identified in last year's Corporate Plan.

Ongoing focus on accident prevention, service delivery and financial management will allow the Workers' Compensation Board (WCB) to continue to demonstrate leadership in the areas of workplace safety and compensation. All indications point to the WCB being on track with the actions and key results identified under each of the six key strategies. The Board of Directors has identified several actions and key results, which have been incorporated in the 2002-2006 Corporate Plan.

1 Lost Time Injuries Reduced by Five Percent Each Year.

Key Strategies

Intent:

In partnership with workers and employers, a reduction in lost time injuries by five percent each year, over a five-year time frame, will represent a significant improvement in the quality of safe work practices in the two Territories. Safer workplaces will also mean that less time and money are lost due to injuries. Ultimately, the Board wants the safety record in the NWT and Nunavut to be the best in Canada.

Challenges:

1. Reducing lost time injuries by five percent each year is challenging, considering that:
   - many employers remain unaware of the benefits of having a fully functioning Internal Responsibility System, or lack the resources to implement one;
   - it is difficult to measure performance in safety;
   - a significant portion of the workforce is untrained and inexperienced in safety practices; and
   - many employers are involved in seasonal operations or short-term projects.
2. Staff and resources must be allocated wisely in order to meet the challenges of promoting safety over such a large geographic area.

Actions:

1. Promote accident prevention education in schools via the "Safety & Young Worker" Program.
2. Promote the Internal Responsibility System, featuring safety education, enforcement, safety audits and inspections, as a means of giving workers and employers the knowledge and awareness to meet their personal responsibilities for safety.
3. Introduce principles of Occupational Health and Safety (OH&S) to the post secondary school system through development of Hazard Recognition Modules for trades courses and provide in-service training of instructors.

Key Results for 2002:

- Lost-time injury rate of 2.39 for 2002.
- 10 percent reduction in eye injuries in Class 4 (Construction).
- 200 students (Grades 10 to 12) enrolled in the "Safety & Young Worker" Program.
- "10 point safety programs" implemented by at least 30 employers.

2 Eighty Percent of Clients Satisfied with our Customer Service.

Key Strategies

Intent:

Attaining this level of client satisfaction will indicate that program and service delivery are meeting or exceeding stakeholders' expectations. To that end, it is important to have a highly motivated, well trained and stable workforce, and an efficient telecommunications network.

Challenge:

Achieving a high level of client satisfaction will be difficult, if expectations are unclear and stakeholders are frustrated with their assessments (employers) or entitlements (workers).

Actions:

1. Educate stakeholders with respect to the WCB's role, programs, services and processes. A better understanding of stakeholders' expectations will be achieved by analyzing survey results and Customer Service Committee feedback.
2. Focus on excellence in client service by developing staff core competencies, encouraging teamwork and utilizing technology to improve service delivery and information quality.
3. Focus on alternatives to resolving disputes before they reach the appeals level, and on improving turnaround times for review decisions.

Key Results for 2002:

- Eighty percent of clients satisfied with our customer service.
- Review decisions rendered within 50 working days.
- Ninety-five percent of claimants return to work within two years after their claim is established.
- Seventy-five percent of claimants have access to benefits within 25 calendar days.

3 Fully Funded Status Maintained, while Continuing to Demonstrate Leadership in Assessment Rates and YMIR Levels.

Key Strategies

Intent:

Protecting the Accident Fund from unanticipated events, fraud and error will maintain and improve upon our fully funded status. It will also position the WCB to continue demonstrating leadership in benefit levels, assessments, prevention activities and investment returns.

Challenges:

Maintaining leadership in these areas will be difficult, given:

- an inadequate classification and assessment system;
- high administration costs, due to geography and small economies of scale;
- legal challenges to the compensation system;
- a Year's Maximum Insurable Remuneration (YMIR) established by legislation in two jurisdictions; and
- continued territorial, national and global economic uncertainty.

Actions:

1. Continue to enhance the effectiveness of the fraud detection program to help protect the integrity of the Accident Fund.
2. Ensure fairness in the classification system and leadership in assessment rates to ensure that our rates are among the three lowest in Canada.
3. Provide leadership in claimant benefits to ensure that our benefit levels are among the three highest in Canada.
4. Improve the quality of business analysis so that unanticipated events and other challenges to the Accident Fund can be effectively anticipated.

Key Results for 2002:

- Top three in Canada in YMIR, with coverage in the 70 to 80 percent band.
- Lowest three in Canada in assessment rates.
- Fully funded status maintained.
- Rate of return that meets or exceeds the Board's quarterly targets.
- Zero operating deficit in the WCB's administration budget.

4 Comprehensive Changes Implemented to the *Workers' Compensation Acts* and Policies, the *Safety Acts* and the General Safety Regulations.

Key Strategies

Intent:

A comprehensive review of territorial safety and compensation legislation and policies will position the WCB to better meet the needs of stakeholders.

Challenges:

Implementing changes to existing compensation and safety legislation will have to take into account that:

- a comprehensive review of territorial safety and compensation legislation has not occurred for some time;
- stakeholders have conflicting and unclear needs, as well as varied interest levels; and
- legislative amendments will need to be passed by two Legislative Assemblies.

Actions:

1. Develop legislative proposals for both Territories.
2. Provide drafting instructions for revised Acts in both Territories.
3. Propose amendments to the General Safety Regulations.
4. Revise policies to reflect changes in legislation.
5. Communicate legislative and policy changes to stakeholders.
6. Provide staff training to administer new legislation and policies.

Key Results for 2002:

- Legislative proposals developed for amendments to the *Workers' Compensation Acts* and *Safety Acts* in both Territories.

5 Optimal Solution Achieved for Service Delivery in the Two Territories.

Key Strategies

Intent:

The Board of Directors and staff will focus on:

- creating the "optimal solution" for workers, employers and government;
- providing factual and timely information to stakeholders;
- maintaining the best quality services to stakeholders throughout the process; and
- representing both Territories fairly.

Challenges:

1. Ensuring that stakeholders are kept informed of new developments.
2. The Inter-governmental Agreement on a shared WCB must continue to be administered fairly.

Actions:

1. Undertake a stakeholder communications campaign, which will remind stakeholders of the status of the shared WCB.
2. Implement an Employment Plan for the two Territories.
3. Develop and implement options to improve service in all regions of the NWT and Nunavut.
4. Implement an Information Technology Strategy to support the core functions of the business in both Territories.

Key Results for 2002:

- Implement the regional service model in both Territories.

6 Comprehensive Performance Measurement System Implemented by 2002.

Key Strategies

Intent:

Incorporating measurable performance standards will position the WCB to better assess the impact of its programs and services, and refine and improve programs to better meet stakeholder needs.

Challenge:

Appropriate means will have to be found to measure program effectiveness without over-surveying stakeholders.

Actions:

1. Develop key performance indicators for identified programs and services.
2. Identify measures and benchmarks for performance levels.

Key Results for 2002:

- Complete the development of key performance indicators, measures and benchmarks for identified programs and services.

The Environment

Appendix A
The Environment

Like many jurisdictions, the WCB is concentrating its efforts on two areas: providing excellent customer service, and assisting both employers and workers to meet their requirements for OH&S. The latter is particularly crucial in terms of "shaping a future", where no preventable accidents occur in the North.

It is only by constantly examining our environmental, economic and workplace trends and influences that the WCB can improve service delivery, and ensure balance in our compensation and safety systems.

In the previous review of its environment, the WCB identified rapid development in the oil & gas and diamond mining sectors, training young workers to work safely, and delivering safety and compensation services in two territories as some of the key issues affecting this organization.

This environmental scan builds on these challenges.

The Economic Environment

Employment in the NWT and Nunavut rose slightly in 2000, up 3.5 percent from 1999 (and is projected to rise approximately 3.0 percent in the NWT in 2001, given the construction of the Diavik diamond mine). This increase in 2000 is primarily attributed to increased employment in the service-producing industries (public administration, retail trade, and health and social services), since increased employment in the diamond mining sector was offset by reductions in other mining industries.

Economic development continues at a brisk pace in the NWT. The importance of establishing a Mackenzie Valley gas pipeline to the Beaufort Delta is clear, given that an estimated $400 billion in revenue could be generated from the immense reserves of natural gas. Moreover, it is estimated that this development could result in more than 2,500 jobs over a four-year period in this region alone. In the Liard Valley, eight producers have discovered one trillion cubic feet of gas, with total reserves estimated at six trillion cubic feet.

The NWT diamond industry now places Canada among the top five diamond producing nations in the world. In addition to exploration activity in the Victoria Island/Darnley Bay area, five projects are progressing rapidly in the Lac de Gras/Contwoyto Lake area.

There are currently two diamond sorting plants operating in the NWT, with a third one planned for 2002. The Government of the NWT's (GNWT) 2001 Budget Address states that jobs may be created in the NWT secondary diamond industry.

While the public sector is the primary driving force in the developing Nunavut economy, the service, arts and crafts, tourism and renewable resource sectors also play contributing roles. In the mining sector, there are two primary projects: the proposed Meliadine West gold property near Rankin Inlet, which could generate annual sales of $100 million and employ hundreds of people, and the proposed Tahera Jericho diamond mine in the Kitikmeot.

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Implications for the WCB

Mining and construction are two inherently dangerous industries, and it is clear that they (along with the tourism industry) will drive growth in both northern economies in the foreseeable future. The WCB must be positioned to effectively deal with the number and type of claims that may result from this development. Moreover, the WCB must ensure that both employers and workers have the knowledge, skills and tools required to meet their respective responsibilities for workplace safety.

Appendix A
The Environment

The NWT/Nunavut Labour Force

Of the total labour force, those employed in the mining and construction industries – our highest risk sectors – are increasing at the fastest rate. In addition, the vast majority of NWT and Nunavut employers are small businesses, which presents challenges in the delivery of the WCB's OH&S programs.

In 2001, there are an estimated 5,384 active businesses in the NWT and Nunavut – an increase of 5.5 percent over 2000. Of these, approximately 35 percent are self-employed businesses, an increase from the previous year's 26 percent.

Northwest Territories

Compared to the rest of Canada, participation in the labour force is highest in the NWT, with a participation rate of 78.3 percent, compared to the Canadian rate of 64.5 percent (source: 1999 NWT Labour Force Survey).

Unemployment rates are also higher in the NWT (13.7 percent, compared to the national rate of 8.5 percent).

Nunavut

Labour force participation in Nunavut ranks third in Canada, with a participation rate of 66.6 percent. This is a significant increase from a decade ago, when the participation rate was 60.4% (source: 1999 Nunavut Labour Force Survey).

Implications for the WCB

The large number of young people in the NWT and Nunavut means that approximately 3,500 new jobs will be needed by the year 2008. Many of these jobs will likely be in professional or technical occupations. The WCB's challenge will be to ensure these young people are fully aware of their responsibility for workplace safety (particularly if there are differences in literacy levels), as well as their rights and obligations under the workers' compensation system in the event of injury.

Issue:

The NWT and Nunavut labour force is young, active and ethnically diverse. Many young workers are involved in the service industry and high-risk industries, such as construction and mining.

Implication:

While economic growth brings jobs, it also increases the likelihood of workplace injury. Training the North's relatively young workforce in safe work practices, in the many communities, will continue to present a unique challenge.

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The Canadian Workers' Compensation Environment

With continued economic growth in Canada, a number of jurisdictions are experiencing increases in the rate of injuries. Adopting a proactive approach to safety and claims management, WCBs have focused on accident and injury prevention through partnerships with employers and workers.

In the previous scan of the Canadian WCB environment, public consultation, improved communication and enhanced marketing of services were identified as key interjurisdictional issues. While these continue to garner attention, the focus has shifted to include the following issues:

Reporting of employer payroll/assessment payment plans	Nova Scotia, PEI, Manitoba and British Columbia are piloting programs for reporting payroll and payment of assessments. Such programs include allowing employers to remit their assessments monthly or quarterly, and allowing for assessments to be based on actual, not estimated, payroll. Nova Scotia, in particular, is harmonizing its forms and procedures with the Canada Customs & Revenue Agency (formerly Revenue Canada).
Interactive websites/ e-business technology	Most jurisdictions are examining upgrades and enhancements to their information technology systems to accommodate e-business and interactive websites. In Saskatchewan, a pilot project is underway which features an interactive website and a secure server to handle incoming employer and worker reports. In British Columbia, an "ER 2001 Calculator" has been implemented on the WCB's website, thus allowing employers to estimate their experience rating discount/surcharge for future years. Employers can also file accident and injury reports over the Internet. In Alberta, employers can obtain clearance letters over the Internet through the WCB's website.
Performance management	Saskatchewan has recently joined Alberta, British Columbia, Nova Scotia and the NWT and Nunavut in adopting the "balanced scorecard" approach to measuring organizational performance. Alberta has also implemented a Goal Sharing Award pilot program as a means to financially reward teams which achieve identified scorecard targets.
Reviews of the compensation system	Joining the NWT and Nunavut, Newfoundland, Nova Scotia and the Yukon have commenced reviews of their respective workers' compensation systems.

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The NWT/Nunavut Workers' Compensation Environment

This section identifies accident and injury trends in the NWT and Nunavut, and comments on how these trends may affect the WCB. It also highlights a number of key strategic issues, which directly concern the WCB.

In 2000, the WCB experienced a 6.5 percent increase in its current year claims costs (as a percentage of assessable payroll) over the previous year. Overall, the WCB administered 2,895 claims in 2000, an increase of 6.6 percent over the previous year, reflecting, in part, an increase in economic activity in 2000.

Injuries to muscles and joints, surface wounds and bruises, and back strains continue to be the most common types of injuries. The highest percentage of accepted claims, relative to other classes, occurred in the construction industry (22 percent), an economic sector accounting for only 14 percent of the total labour force. The opposite is true for "other services".

Trends in assessment revenues, accidents and injuries, by subclass and individual employer, will continue to be actively monitored. This will allow the WCB to be proactive in addressing areas of concern, and to be prepared to explore opportunities to improve stakeholder service.

Strategic Issues

Workplace Safety

OH&S in the North continues to be an issue of paramount importance. The lost-time injury rate (measured per 100 employed) in the NWT and Nunavut was 3.07 in 2000, compared to 3.29 in 1999. Achieving a lost time injury rate of 2.98 will allow the WCB to meet its strategic five percent accident reduction target for 2001. Overall, the Board of Directors has set a five year target to achieve an accident frequency rate of 2.55 per 100 employed, which is challenging.

Client Satisfaction

Under a contractual arrangement with the NWT Literacy Council, and in co-operation with the Northern Territories Federation of Labour, the WCB is rewriting many of its publications in "plain" language.

The WCB initiated a teams project to work with five key employers on ways to improve customer service and the accident experience of those employers. Each of these employers will be visited by a team in the second half of 2001.

In 2001, the Client Services Division introduced "continuum of care" guidelines to assist staff in providing early intervention to injured workers with soft tissue injuries. Physicians were provided with these guidelines for their use when treating injured workers. It is expected that the introduction of these guidelines in the medical community will be completed by the fall of 2001.

Also in 2001, the Financial Services Division undertook a strategic review of its information technology systems and its ability to support service delivery in the two Territories. The WCB entered into an outsourcing contract for the maintenance and upgrade of its technology platform. This will greatly enhance the WCB's service delivery capabilities to employers and injured workers.

Appendix A
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Financial Stability

Maintaining the WCB's strong financial position will continue to be a challenge, particularly in light of the recent downturn in the financial markets. The WCB remains committed to the lowest possible assessment rates and the highest possible worker benefits.

The WCB is undertaking a review of its rate classification system in order to provide a fair, viable and equitable system.

The WCB is developing a Business Resumption Plan to ensure that it can resume its essential operations in the event of a disaster. This will replace the Disaster Recovery Plan.

Legislative Review

Work is well underway on a comprehensive review of the *Workers' Compensation Acts* and *Safety Acts* of both Territories. This review is being conducted by a Review Panel, appointed by the two Ministers responsible for the WCB in the NWT and Nunavut. The Panel comprises a Chairperson, representing the public interest, three worker representatives and three employer representatives. Its report is expected by December 2001.

Service Levels in Two Territories

On April 1, 1999, two territories were created: Nunavut and the NWT. An inter-governmental agreement, signed by the GNWT and the Interim Commissioner of Nunavut, created a shared WCB until December 31, 2002. An amending agreement, which will remove the termination date, is expected to be signed in the Fall 2001. The process of ensuring appropriate service levels in each territory has begun.

Key WCB Strategic Issues:

- workplace safety
- client satisfaction
- financial stability
- reviewing compensation and safety legislation
- decision on the shared WCB
- continuous improvement

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Measuring Continuous Improvement

The WCB is in its second year of using balanced scorecards to manage and report on its organizational performance. This scorecard allows the Board of Directors to conduct quarterly reviews of the WCB's performance in four key result areas: Stakeholders, Economics, Compliance and Being a High Performing Organization.

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The Environment

Questions or comments may be directed to:

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